

ANNUAL REPORT
OF THE
**DETROIT AND MACKINAC
RAILWAY COMPANY**

FOR THE FISCAL YEAR ENDED DECEMBER 31st

1946

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DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

C. A. PINKERTON	East Tawas, Mich.
WALTER F. KEERS	Brooklyn, N. Y.
STANLEY E. LAWFER	Allentown, Pa.
A. W. RALSTON	Bloomfield, N. J.
R. W. PIEPKORN	Alpena, Mich.

OFFICERS

C. A. PINKERTON,	
President	Tawas City, Michigan
CHARLES A. PINKERTON, JR.	
Vice-President and General Manager	Tawas City, Michigan
A. J. SEVENER,	
Auditor	Tawas City, Michigan
N. W. SALSBERY,	
Secretary and Treasurer	Tawas City, Michigan
R. W. HICKEY,	
Assistant to General Manager	Tawas City, Michigan
W. T. YAKE,	
General Freight Agent	Tawas City, Michigan
CARL R. HENRY,	
General Counsel	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
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REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
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ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders	
General Office	Tawas City, Michigan

JOE C. TREPANIER
CERTIFIED PUBLIC ACCOUNTANT
LAFAYETTE BUILDING
DETROIT

26

February 20, 1947

Detroit and Mackinac Railway Company,
Tawas City, Michigan
Gentlemen:

We have examined the Balance Sheet of the Detroit and Mackinac Railway Company as at December 31, 1946 and the related statements of Income and Surplus for the year then ended; have reviewed the system of internal control and the accounting procedures of the company, and have examined or tested accounting records of the company and other supporting evidence by methods and to the extent we deemed appropriate.

In our opinion, the accompanying Balance Sheet and related statements of Income and Surplus present fairly the financial position of the Detroit and Mackinac Railway Company at December 31, 1946, and the results of its operations for the year then ended, in conformity with principles of accounting prescribed by the Interstate Commerce Commission.

Very truly yours,

JOE C. TREPANIER
Certified Public Accountant

DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan
February 1, 1947

TO THE STOCKHOLDERS:

The year just passed was a period of transition for your company. To continue rendering and increase the efficiency of your company's transportation service the Directors and Management have embarked on an extensive and comprehensive modernization program. Six new modern diesel locomotives have been received and placed in service at a total cost of \$667,208. Order for another diesel locomotive has been placed, which, when received, will permit complete elimination of all costly steam locomotive facilities such as water stations, fuel stations, etc. Orders for 225 new all-steel rolling stock units have also been placed with the manufacturer, and deliveries are expected in early 1947.

To finance in part this program of modernization retirements of old steam power and rolling stock were made during the past year. These retirements consisted of 12 wooden baggage cars, 233 wooden freight cars and six steam locomotives. The proceeds from these retirements permitted us to finance the purchase of the new equipment on the basis of a 10 per cent of cost down payment and conditional sale contracts for the balance in monthly installments over a period of 10 years, with interest on the unpaid balance at two and one-quarter per cent per annum.

In addition to the above new equipment purchased on conditional sale contracts, the following items of major importance were purchased on an outright cash basis to further improve your property. This is used material but will fully meet all our requirements:

	Total Cost
2 All-Steel Baggage Cars	\$11,707
1 All-Steel U. S. Army Coach	18,337
1150 Ton 80-Lb. Relay Rail	33,129

This program has to a degree been responsible for the increase in traffic and resulting increased revenues your company has enjoyed over the past year. New industries have been attracted and inquiries from other potential industries received.

Increases in revenue as compared to 1945 are shown in the following simplified income account statement:

	Year 1946	Year 1945	Increase - I Decrease - D
INCOME:			
Freight	\$1,295,587.72	\$ 833,680.38	\$461,907.34 I
Passenger	38,440.85	110,827.93	72,387.08 D
Other Transportation			
Revenues	81,944.15	95,146.61	13,202.46 D
Non-Railroad Operation ...	8,291.54	6,119.90	2,171.64 I
Total	\$1,424,264.26	\$1,045,774.82	\$378,489.44 I
OUTGO:			
Wages	\$ 665,636.87	\$ 562,277.06	\$103,359.81 I
Fuel	96,159.31	88,548.52	7,610.79 I
Material and Supplies	133,349.84	98,458.53	34,891.31 I
Railway Tax Accruals, other			
than Federal income tax	58,688.44	52,580.63	6,107.81 I
Rental of Equipment, debit			
balance	114,555.21	49,428.94	65,126.27 I
Interest on Debt, funded and			
unfunded	89,759.45	87,255.33	2,504.12 I
Depreciation Reserve	62,009.13	62,922.48	913.35 D
Other Operating and Non-			
Operating Expenses	81,295.55	46,674.84	34,620.71 I
Total	\$1,301,453.80	\$1,048,146.33	\$253,307.47 I
Net Income before Federal			
Income Tax	\$122,810.46	†\$2,371.51	\$125,181.97 I
Federal Income Tax	*24,843.52		24,843.52 I
Net Income	\$ 97,966.94	†\$2,371.51	\$100,338.45 I

* Accrual, \$44,582.83; Refund, \$19,739.31 † Deficit

Your dollars for 1946 were earned and spent as follows:

SOURCE	Cents	DISPOSITION	Cents
Products of Agriculture	7	Wages	47
Animals and Products	1	Materials and Fuel	16
Products of Mines	24	Taxes	6
Products of Forest	6	Net Equipment Rents	8
Products of Manufacturers	52	Depreciation	4
Handling of Passengers	3	Other Expenses	6
Other Transportation Revenue	6	Interest	6
Other Service	1	Net Income	7
Total	100	Total	100

Interest six months in arrears since June, 1936, amounting to \$20,440, on the mortgage bonds, was paid and brought up to date at the time the December, 1946 interest was due.

A simplified balance sheet of your company as of December 31, 1946 shows the following:

ASSETS:	
Roadway Property and Equipment, less depreciation	\$6,574,622
Miscellaneous Property	32,001
Cash	525,416
Temporary Investment in Government Securities ...	60,000
Material and Supplies	133,172
Other Assets	170,352
Total	\$7,495,563
LIABILITIES:	
Equipment Obligations	\$ 587,702
Accounts and Wages Payable	341,162
Accrued Taxes	73,734
Other Liabilities	5,677
Bonded Indebtedness	2,181,000
	\$3,189,275
CAPITAL STOCK AND SURPLUS:	
Capital Stock	\$2,950,000
Surplus	1,356,288
Total	\$7,495,563

Major improvements to the fixed property of your company during the past year are as follows:

The construction of a one-stall diesel engine house at Bay City and at Cheboygan.

Relaying 1.6 miles of 90 lb. rail south of Pine River station and one mile of 85 lb. rail north of Cathro station.

Installation of diesel fueling stations at Bay City, Tawas City and Alpena.

Spur tracks were constructed to serve industries at Bay City, Pinconning, Tawas and Alpena.

Numerous other minor improvements and betterments were made throughout the year.

Your Directors acknowledge with pride and sincere appreciation the efforts of every member of your company's organization. It will be the continued aim of your Management to better serve the communities through which we operate, and to conduct its business with ever improving efficiency and to the best interest of its stockholders.

By order of the Board of Directors.

C. A. PINKERTON,
President

DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Mich., Feb. 25, 1947

MR. C. A. PINKERTON, PRESIDENT,
DETROIT AND MACKINAC RY. CO.
TAWAS CITY, MICH.

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ended December 31st, 1946, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Revenues and Expenses by Years.

TABLE E-1—Net Revenue from Railway Operations and Tax Accruals by Years.

TABLE F—Details of Operating Expenses.

TABLE G—Mileage.

TABLE H—Classification of Freight Tonnage, 1945 and 1946.

TABLE I—Statistics for Years 1945 and 1946.

TABLE J—Equipment.

TABLE K—Yard Tracks, Sidings and Spurs built and taken up during year.

Respectfully,

A. J. SEVENER,
Auditor

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1946, AND COMPARISON WITH
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1945, SHOWING INCREASE OR DECREASE

ASSETS

	Items	Total	Increase	Decrease
Investments:				
Investment in Road and Equipment	\$7,322,098.99		\$580,413.27	
Less Accrued Depreciation	740,664.49	\$6,606,623.27	373,765.70	\$209,344.75
Net Investment	\$6,581,434.50		583,110.45	
Donations and Grants	6,811.76 Cr.			85.00
Miscellaneous Physical Property	32,000.53			1,267.26
Investments in Affiliated Companies				1,344.92
Other Investments				
Current Assets:				
Cash	525,415.98	861,443.25	257,623.74	
Temporary Cash Investments	60,000.00		305,450.17	
Special Deposits—J. P. Morgan Coupon Account	24,320.00		9,500.00	
Net Balances Receivable from Agents and Conductors	75,438.30		28,503.05	
Miscellaneous Accounts Receivable	31,757.93		3,114.32	83,498.89
Material and Supplies	133,171.56			5,451.42
Accrued Accounts Receivable	11,337.97			
Other Current Assets	6.51		6.51	
Deferred Assets:				
Working Fund Advances	591.54	591.54		
Unadjusted Debits		26,899.94	24,717.92	
Prepayments	6,998.76		5,927.27	
Other Unadjusted Debits	19,901.18		8,790.65	
		\$7,495,563.00	\$862,754.93	

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT FOR YEAR ENDING DECEMBER 31, 1946 COMPARED
WITH YEAR ENDING DECEMBER 31, 1945

OPERATING INCOME:

	1946	Increase	Decrease
Freight	\$1,295,587.72	\$461,907.34	
Passenger	38,440.85		72,387.08
Baggage	81.86	39.19	
Mail	36,471.14		4,731.84
Express	5,878.76		14,416.95
Other Passenger Train	721.30		64.22
Milk	6,769.24		897.98
Switching	15,272.34	5,047.84	
Station Privileges	96.26		50.18
Parcel Room	1.00		1.00
Storage — Freight	364.02	123.74	
Demurrage	7,539.10	426.64	
Telegraph and Telephone	45.81		26.31
Rents of Buildings and Other Property	5,660.79		41.97
Miscellaneous	3,041.02	1,400.40	
Joint Facility	Cr. \$3.01		
	Dr. 1.50	1.51	9.82
Total Operating Revenues	\$1,415,972.72	\$376,317.80	
OPERATING EXPENSES:			
Maintenance of Way and Structures \$	278,525.85	\$ 61,087.56	
Maintenance of Equipment	208,948.86	19,162.67	
Traffic	10,015.60	1,012.03	
Transportation	464,785.40	72,712.77	
General	72,794.89	25,700.11	
Total Operating Expenses	\$1,035,070.60	\$179,675.14	
Net Operating Revenue	380,902.12	196,642.66	
Railway Tax Accruals	84,382.30	31,801.67	
Railway Operating Income	\$ 296,519.82	\$164,840.99	
Income from Lease of Road and Equipment	1,996.30	453.19	
Miscellaneous Rent Income	4,694.37	1,571.56	
Miscellaneous Non-Operating Physical Property	589.19	18 55	
Income from Unfunded Securities and Accounts	352.43	258.63	
Miscellaneous Income	185.00		25.00
Equipment Rents	114,555.21		
Joint Facility Rents	474.25	Dr. Bal.	65,126.27
Total Income	\$ 190,256.15	\$101,386.36	105.29
Miscellaneous Rents			35.00
Miscellaneous Tax Accruals	963.16	236.59	
Interest on Funded Debt	89,758.25	2,518.25	
Interest on Unfunded Debt	1.20		14.13
Miscellaneous Income Charges	1,561.60		1,157.80
Net Income	\$ 97,966.94	\$100,338.45	

TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1946	\$592,669.79	
Credit Balance Transferred from Income		\$ 97,966.94
		<hr/>
Miscellaneous Credits		1,018.08
Miscellaneous Debits	475.13	
Debit Balance Carried to Balance Sheet		494,159.90
	<hr/>	<hr/>
	\$593,144.92	\$593,144.92

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,159,000.00	4%	June and December	\$46,360.00	June 1, 1995
Mort.	1,022,000.00	4%	June and December	40,880.00	June 1, 1995
	<hr/>				
	\$2,181,000.00			\$87,240.00	

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1944	Dec. 31, 1945	Dec. 31, 1946
Cash	\$ 155,954.31	\$ 219,965.81	\$ 525,415.98
Special Funds	65,140.00	74,820.00	84,320.00
Due from Station Agents and Others	67,202.18	92,368.25	107,196.23
Material and Supplies	228,569.51	216,670.45	133,171.56
Prepaid and Deferred Charges	5,113.91	29,176.81	18,934.78
Other Unadjusted Debits	9,476.40	1,110.53	19,901.18
Totals	\$ 531,456.31	\$ 634,111.85	\$ 888,939.73
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls ..	\$ 61,635.69	\$ 70,014.93	\$ 138,084.43
Accrued Taxes, Interest and Traffic Balances	159,807.75	173,599.52	282,473.08
Totals	\$ 221,443.44	\$ 243,614.45	\$ 420,557.51
Net Assets	\$ 310,012.87	\$ 390,497.40	\$ 468,382.22
CAPITAL ASSETS			
Cost of Road	\$5,886,795.42	\$5,892,235.16	\$5,871,637.23
Cost of Equipment	1,047,306.01	1,056,098.13	1,450,461.76
Miscellaneous Physical Property ...	34,578.64	32,085.53	32,000.53
Investments in Affiliated Companies	2,534.54	1,267.26	
Other Investments		1,344.92	
Totals	\$6,971,214.61	\$6,983,031.00	\$7,354,099.52
REPRESENTING			
Bonds Issued—First Lien	\$1,159,000.00	\$1,159,000.00	\$1,159,000.00
Bonds Issued—Mortgage	1,022,000.00	1,022,000.00	1,022,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Equipment Obligations			587,701.68
Reserves	1,065,312.69	950,009.24	740,664.49
Grants in Aid of Construction	6,811.76	6,811.76	6,811.76
Other Unadjusted Credits	10,887.78	27,928.79	15.31
Appropriated Surplus	1,850,448.40	1,850,448.40	1,850,448.40
Earned Surplus	* 783,233.15	* 592,669.79	* 494,159.90
Totals	\$7,281,227.48	\$7,373,528.40	\$7,822,481.74

*Deficit

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

	1942	Per Cent	1943	Per Cent	1944	Per Cent	1945	Per Cent	1946	Per Cent
REVENUES	Amount		Amount		Amount		Amount		Amount	
Freight	\$1,003,887.30	84.39	\$716,129.35	73.39	\$ 786,312.68	77.38	\$ 833,680.38	80.19	\$1,295,587.72	91.50
Passenger	56,958.81	4.79	151,294.97	15.51	138,745.11	13.65	110,827.93	10.68	38,440.85	2.72
Mail	42,545.95	3.58	42,085.43	4.32	40,594.61	4.00	41,202.98	3.94	36,471.14	2.58
Express	18,403.01	1.55	23,095.24	2.37	23,861.03	2.35	20,295.71	1.92	5,878.76	.41
Milk	8,368.03	.70	7,994.71	.82	8,338.45	.81	7,667.22	.77	6,769.24	.47
Other Sources	59,315.94	4.99	35,112.11	3.59	18,352.73	1.81	25,980.70	2.50	32,825.01	2.32
Total	\$1,189,479.04	100%	\$975,711.81	100%	\$1,016,204.61	100%	\$1,039,654.92	100%	\$1,415,972.72	100%
EXPENSES										
Maintenance of Way and Structures ..	\$ 171,335.61	23.53	\$326,038.15	34.96	\$ 218,350.27	25.12	\$ 217,438.29	25.38	\$ 278,525.85	26.92
Maintenance Equipment	163,681.64	22.48	199,064.18	21.34	210,797.22	24.25	189,786.19	22.23	208,948.86	20.19
Traffic	8,825.45	1.21	10,194.74	1.10	9,876.79	1.14	9,003.57	1.05	10,015.60	.96
Transportation	345,188.18	47.39	352,043.61	37.74	383,181.26	44.08	392,072.63	45.85	464,785.40	44.91
General	39,284.08	5.39	45,309.14	4.86	47,088.16	5.41	47,094.78	5.49	72,794.89	7.02
Total	\$ 728,314.96	100%	\$932,649.82	100%	\$ 869,293.70	100%	\$ 855,395.46	100%	\$1,035,070.60	100%
Net Operating Income	\$ 461,164.08	38.77	\$ 43,061.99	4.42	\$ 146,910.91	14.45	\$ 184,259.46	17.69	\$ 380,902.12	26.90
Taxes	53,262.32	4.48	80,802.63	8.28	51,865.66	5.10	52,580.63	5.00	84,382.30	5.95
Net Operating Income Less Taxes	\$ 407,901.76	34.29	*\$ 37,740.64	*3.86	\$ 95,045.25	9.35	\$ 131,678.83	12.69	\$ 296,519.82	20.94

*Deficit

TABLE E-1

DETROIT AND MACKINAC RAILWAY COMPANY

RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Revenue	Railway Tax Accruals	Net Revenue Less Tax Accruals
1934	.....\$ 632,904.36	\$514,332.73	\$118,571.63	*\$ 1,733.27	\$116,838.36
1935	..... 654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936	..... 803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937	..... 885,445.46	694,643.86	190,801.60	35,134.67	155,666.93
1938	..... 877,856.23	630,599.65	247,256.58	34,889.55	212,367.03
1939	..... 876,809.06	643,663.46	233,145.60	43,708.16	189,437.44
1940	..... 849,680.71	623,629.04	226,051.67	41,753.93	184,297.74
1941	..... 845,559.26	643,292.35	202,266.91	41,775.56	160,491.35
1942	..... 1,189,479.04	728,314.96	461,164.08	53,262.32	407,901.76
1943	..... 975,711.81	932,649.82	43,061.99	† 80,802.63	†37,740.64
1944	..... 1,016,204.61	869,293.70	146,910.91	51,865.66	95,045.25
1945	..... 1,039,654.92	855,395.46	184,259.46	52,580.63	131,678.83
1946	..... 1,415,972.72	1,035,070.60	380,902.12	**84,382.30	296,519.82

*Includes \$26,714.43 Credit Adjustment

†Includes \$25,103.00 Debit Adjustment 1942 Income Tax

**Includes Refund \$19,739.31 Adjustment Years 1942, 1943 and 1944 Income Tax and Includes Accrual of \$44,-

582.83 Estimated 1946 Income Tax

†Deficit

TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1946 COMPARED WITH 1945

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence	\$ 21,658.56	\$ 3,908.27	
Roadway Maintenance	11,099.46		\$ 2,670.41
Bridges, trestles, and culverts	2,991.72	1,934.24	
Ties	35,108.62	6,727.70	
Rails	11,552.92	7,496.06	
Other Track Material	14,210.47	9,570.50	
Ballast	533.81	60.69	
Track Laying and Surfacing	96,756.71	20,205.80	
Fences, Snowsheds, and Signs	4,017.80	1,234.04	
Station and Office Buildings	3,249.61		1,127.82
Roadway Buildings	227.79		927.81
Water Stations	1,431.06	837.74	
Fuel Stations	797.13		185.95
Shops and Enginehouses	3,538.83	285.57	
Telegraph and Telephone Lines	7,060.77	5,144.81	
Signals and Interlockers	221.43		40.56
Miscellaneous Structures			6.93
Road Property—Depreciation	32,048.58		2.72
Retirements—Road	6,134.94	6,094.62	
Roadway Machines	5,147.13	2,586.77	
Dismantling Retired Road Property	887.68	739.35	
Small Tools and Supplies	4,057.86	1,335.16	
Removing Snow, Ice and Sand	11,141.06	3,626.86	
Public Improvements, Maintenance	1,142.04	517.66	
Injuries to Persons	536.79		7,764.50
Insurance	732.35		101.17
Stationery and Printing	359.73	50.79	
Other Expenses	1,483.48	1,374.66	
Maintaining Joint Tracks, Yards and Other Facilities—Dr.,	849.94		130.94
Maintaining Joint Tracks, Yards and Other Facilities—Cr.,	452.42		315.08
Total	\$278,525.85	\$ 61,087.56	

TABLE F—(Continued)

MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence	\$ 24,490.97	\$ 994.72	
Shop Machinery	2,165.78	1,067.09	
Power Plant Machinery	842.77		407.17
Power Plant Machinery—Depreciation ..	3,587.88		
Steam Locomotives—Repairs	43,833.48		20,641.53
Other Locomotives—Repairs	2,964.89	2,875.20	
Freight-train Cars—Repairs	26,937.47		5,626.24
Passenger-train cars—Repairs	26,105.53		4,030.91
Work Equipment—Repairs	2,833.05		1,168.17
Miscellaneous Equipment—Repairs	1,307.92	877.91	
Equipment — Retirements	1,851.71	1,849.60	
Equipment — Depreciation	26,372.67		910.63
Injuries to Persons	695.54	22.67	
Insurance	635.56	170.14	
Stationery and Printing	372.56		37.00
Other Expenses	44,147.38	43,962.40	
Maintaining Joint Equipment—Dr.	223.92	158.75	
Maintaining Joint Equipment—Cr.	420.22		5.84
Total	\$208,948.86	\$ 19,162.67	

TRAFFIC

Superintendence	\$ 5,352.35		29.11
Advertising	1,127.90	725.79	
Traffic Associations	982.03		89.21
Insurance	37.20		.22
Stationery and Printing	2,516.12	404.78	
Total	\$ 10,015.60	\$ 1,012.03	

TRANSPORTATION—RAIL LINE

Superintendence	\$ 26,499.63	\$ 4,918.13	
Dispatching Trains	5,765.83	1,259.31	
Station Employees	78,844.88	17,234.33	
Wei'g Insp'n and Demurrage Bureaus ...	771.72	387.19	
Station Supplies and Expenses	3,895.37	290.57	
Yardmaster and Yard Clerks	7,352.58	1,168.29	
Yard Conductors and Brakemen	20,941.69	3,386.27	
Yard Motor Men	3,145.12	3,145.12	
Yard Enginemen	11,281.05		54.39
Yard Switching Fuel	12,460.42	939.50	
Water for Yard Locomotives	782.62	201.88	
Lubricants for Yard Locomotives	422.79	41.82	
Other Supplies for Yard Locomotives	310.05	130.69	
Enginehouse Expenses—Yard	7,417.97		15.60
Yard Supplies and Expenses	786.08	20.71	

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Enginemen	\$ 44,554.28	\$ 7,408.45	
Train Motormen	8,538.93	1,477.98	
Train Fuel	83,698.89	6,671.29	
Water for Train Locomotives	2,770.93	407.07	
Lubricants for Train Locomotives	2,934.39	883.85	
Other Supplies for Train Locomotives ...	1,517.24	456.08	
Enginehouse Expenses—Train	38,427.46	4,839.79	
Trainmen	64,723.38	13,078.82	
Train Supplies and Expenses	12,643.00		1,266.60
Operating Sleeping Cars	32.12	32.12	
Signal and Interlocking Operation	220.75		4.94
Drawbridge Operation	6,387.92	1,966.43	
Telegraph and Telephone Operation	4,178.56	635.69	
Stationery and Printing	3,181.59	123.82	
Other Expenses	4,241.19	1,427.02	
Insurance	343.76		7.30
Clearing Wrecks	571.63	539.45	
Damage to Property	227.55	177.55	
Damage to Live Stock on Right of Way...	530.36	336.41	
Loss and Damage—Freight	5,681.90		28.94
Loss and Damage—Baggage			12.19
Injuries to Persons	1,023.81		131.24
Opera'g Joint Yards and Terminals—Dr...	9,482.32	2,605.58	
Opera'g Joint Yards and Terminals—Cr.	8,945.43	922.59	
Opera'g Joint Tracks and Facilities—Dr. .	305.48		269.69
Opera'g Joint Tracks and Facilities—Cr. .	3,164.41	764.96	
Total	\$464,785.40	\$ 72,712.77	

GENERAL

Salaries and Expenses of General Officers \$	16,246.30	\$ 3,252.41	
Salaries and Exp's of Clerks and Attend's.	37,814.68	12,889.45	
General Office Supplies and Expenses	532.44		45.90
Law Expenses	4,739.38	923.68	
Insurance	125.30	2.44	
Pensions	378.31		358.42
Stationery and Printing	2,539.57	316.27	
Other Expenses	10,418.91	8,720.18	
Total	\$ 72,794.89	\$ 25,700.11	

SUMMARY

Maintenance of Ways and Structures	\$ 278,525.85	\$ 61,087.56
Maintenance of Equipment	208,948.86	19,162.67
Traffic	10,015.60	1,012.03
Transportation	464,785.40	72,712.77
General	72,794.89	25,700.11
Total Operating Expenses	\$1,035,070.60	\$179,675.14

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1946

MAIN LINE

North Bay City to Cheboygan	195.10
One-half Undivided Ownership—Foss to North Bay City .....	.26

BRANCHES

Omer to AuGres	7.95
Alabaster Junction to Alabaster	4.27
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City	14.33
Total	36.93
Total Main Line and Branches	232.29
Yard Tracks and Sidings	55.51
Total, all Tracks (miles)	287.80

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

Products of Agriculture:	1945 Tons	Per Cent	1946 Tons	Per Cent
Grain	3,298	.1	6,464	.7
Flour	2,799	.1	3,483	.3
Other Mill Products	108		191	
Hay and Straw	4,185	1.0	3,885	.4
Potatoes	22,916	3.5	23,516	2.3
Fruits and Vegetables	4,402	1.0	6,289	.6
Sugar Beets	5,463	1.0	6,480	.7
Other Products of Agriculture	1,414	.1	1,684	.2
Totals	44,585	6.8	51,992	5.2

TABLE H—(Continued)

Animals and Products:	1945 Tons	Per Cent	1946 Tons	Per Cent
Livestock	2,693	.4	1,383	.1
wool	110		165	
Hides and Leather	3,113	.5	5,223	.5
Other Animals and Products	348	.1	972	.1
Totals	6,264	1.0	7,743	0.7
Products of Mines:				
Anthracite Coal	738	.1	784	
Bituminous Coal	50,140	7.6	50,799	5.1
Coke	2,645	.4	2,634	.2
Clay, Gravel, Sand and Stone	256,206	39.2	436,709	44.0
Other Products of Mines	2,222	.4	2,428	.2
Totals	311,951	47.7	493,354	49.5
Products of Forests:				
Lumber, Shingles and Lath	11,098	1.6	18,037	1.8
Pulp Wood	41,628	6.3	54,849	5.5
Other Products of Forests	5,231	1.0	5,819	.5
Totals	57,957	8.9	78,705	7.8
Manufactures and Miscellaneous:				
Refined Petroleum and its Products....	16,565	2.5	41,690	4.3
Sugar	334		334	
Rails and Fastenings	452	.1	120	
Bar and Sheet Iron, Structural Iron, and Iron Pipe	5,786	1.0	13,666	1.4
Castings, Machinery and Boilers	5,169	1.0	5,874	.5
Cement	12,490	1.7	19,911	2.0
Brick and Artificial Stone	2,954	.4	4,933	.5
Lime and Plaster	26,543	4.0	46,921	4.7
Building Paper and Prepared Roofing Material	3,662	.5	4,275	.4
Beverages	381		175	
Fertilizers (all kinds)	6,021	1.0	8,143	.8
Newsprint and Printing Paper	17,770	2.7	27,602	2.9
Canned Goods (all canned food products)	524	.1	781	.1
Paper Bags and Wrapping Paper	418	.1	1,063	
Paperboard, Pulpboard and Wallboard ..	5,188	1.0	9,731	1.0
Other Manufactures and Miscellaneous	115,389	17.6	165,692	16.7
Totals	219,646	33.7	350,911	35.3
All L. C. L. Freight	12,560	1.9	15,209	1.5
Grand Total, Carload and L. C. L. Traffic	652,963	100%	997,914	100%

TABLE I

DETROIT AND MACKINAC RAILWAY COMPANY

FREIGHT STATISTICS

	1945	1946
Number tons revenue freight carried	652,963	997,914
Number tons non-revenue freight carried	23,531	23,797
Total number tons of freight carried	676,494	1,021,711
Number revenue tons carried one mile	51,466,000	85,235,000
Number all tons carried one mile	53,274,000	87,194,691
Number revenue tons carried one mile, per mile of road	223,765	373,837
Number tons all freight carried one mile, per mile of road	231,621	382,432
Average distance haul of one ton revenue freight (miles)	78.70	85.4
Average distance haul of one ton all freight (miles)	79.10	85.3
Total Freight Revenue	\$ 833,680.38	\$ 1,295,588
Average amount received for each ton of freight	1.2766	1.2983
Average receipts, per ton, per mile .....	.01620	.01520
Freight revenue, per mile of road	3,624.70	5,682.40
Freight revenue, per train mile	7.50	9.36
Average number of revenue tons, per train mile	587.54	615.57
Average number of all tons, per train mile ...	608.71	629.72
Average number of all tons, per loaded car mile	27.8	33.3
Average number of cars, per train mile	26.5	31.0

PASSENGER STATISTICS

Number of passengers carried	67,473	24,022
Number of passengers carried one mile	5,334,100	1,654,850
Number of passengers carried one mile, per mile of road	25,279	7,843
Average distance each passenger carried (miles)	79.10	68.89
Passenger revenue	\$ 110,827.93	\$ 38,441
Average amount received from each passenger	1.64	1.60
Average receipts, per passenger, per mile ....	.0208	.0232
Total passenger train earnings	\$ 180,822.00	\$ 88,364.15
Passenger earnings, per mile of road	787.05	418.79
Passenger earnings, per train mile .....	.87	.63
Average number of passengers, per train mile	25.7	11.9

OPERATING STATISTICS

Gross revenue from operation	\$1,039,654.92	\$1,415,972.72
Gross revenue from operation, per mile of road	4,520.24	6,210.41
Operating expenses	855,395.46	1,035,070.60
Operating expenses, per mile of road	3,719.11	4,539.79
Operating expenses, per train mile	2.68	3.73
Net Operating Revenue	184,259.46	380,902.12
Net operating revenue, per mile of road	801.12	1,670.62
Ratio of expenses to earnings	82.27	73.1

TABLE J

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

Locomotives:	1945	1946
Steam — Passenger	6	4
Steam — Freight	11	8
Steam — Switching	3	1
Diesel — Road		5
Diesel — Switching		1
Gasoline — Switching		1
Totals	20	20
Passenger Cars:		
Coaches	3	3
Cafe	1	1
Parlor	1	1
Gas Electric Combination Passenger, Baggage and Mail	2	2
Combination Passenger and Baggage	3	3
Combination Baggage and Mail	2	2
Baggage and Express Cars	15	7
Express Refrigerators	9	9
Totals	36	28
Freight Cars:		
Box	194	26
Flat	39	12
Coal Cars	58	22
Refrigerators	1	
Caboose Cars	9	8
Totals	301	68
In Company's Service:		
Officers	1	1
Ballast	3	3
Derrick Cars	1	1
Flangers	11	11
Jordon Spreader	1	1
Industrial Crane	1	1
Other Road Cars	66	30
Totals	84	48
Summary:		
Total Number of Locomotives Owned	20	20
Total Number of Cars Owned	421	144

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP DURING YEAR 1946

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3083	Track No. 1A	North Bay City	318
3127	Track No. 14	Alpena	54
3153	Track No. 36A	Tawas Shops	769
3154	Track No. 11A	Alpena	326
3156	Track No. 252	Cheboygan	326
3168	Track No. 64C	Alpena	321
3182	Track No. 216	Cheboygan	50
Total			2164

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3066	Track No. 3	North Bay City	229
3152	Stock Yard Track	Tawas Yard	810
3158	Track No. 30	Tawas Yard	740
3177	Track No. 128	Greenbush	2378
3183	Track No. 225	Grant Siding	1446
3210	Track No. 18	Alpena	640
3214	Track No. 51	Pinconning	389
3215	Track No. 58	Pinconning	323
3216	Track No. 97	Oscoda	1883
Total			8838

SUMMARY

	Miles
Tracks Taken Up	1.674
Tracks Built .....	.410
Net Decrease	1.264

